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# HOUSE BILL No. 1878

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-9.

**Synopsis:** Property tax deduction for senior citizens. Changes the requirements for the property tax deduction available to individuals who are at least 65 years of age to allow an individual to claim the deduction if either the assessed valuation of the individual's real property, mobile home, or manufactured home is less than \$69,000 or the combined adjusted gross income of the individual's household is less than \$25,000. (Current law requires an individual to satisfy both requirements to claim the deduction.)

**Effective:** January 1, 2004.

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January 23, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1878

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.291-2001,  
2       SECTION 131, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE JANUARY 1, 2004]: Sec. 9. (a) An individual may  
4       obtain a deduction from the assessed value of the individual's real  
5       property, or mobile home or manufactured home which is not assessed  
6       as real property, if **the individual satisfies both subdivisions (1) and**  
7       **(2):**

8       (1) The individual **meets all of the following conditions:**

9       **(A) The individual** is at least sixty-five (65) years of age on or  
10       before December 31 of the calendar year preceding the year in  
11       which the deduction is claimed.

12       **(B) The individual:**

13       **(i) has owned the real property, mobile home, or**  
14       **manufactured home for at least one (1) year before**  
15       **claiming the deduction; or**

16       **(ii) has been buying the real property, mobile home, or**  
17       **manufactured home under a contract that provides that**



the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office.

(C) The individual and the other individuals described in subdivision (2)(B) reside on the real property or in the mobile home or manufactured home.

(D) The individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(2) The individual meets either of the following conditions:

(A) The assessed value of the individual's real property, mobile home, or manufactured home does not exceed sixty-nine thousand dollars (\$69,000).

(B) The combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(i) the individual and the individual's spouse; or

(ii) the individual and all other individuals with whom the individual shares ownership, or with whom the individual is purchasing the property under a contract as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000).

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000);

(3) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1)

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year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed sixty-nine thousand dollars (\$69,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) six thousand dollars (\$6,000).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) six thousand dollars (\$6,000).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least

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1 sixty-five (65) years of age at the time of a death;

2 (3) the surviving spouse has not remarried; and

3 (4) the surviving spouse satisfies the requirements prescribed in  
4 subsection ~~(a)(2) through (a)(6)~~ **(a)(1)(B) through (a)(2)**.

5 (g) An individual who has sold real property to another person  
6 under a contract that provides that the contract buyer is to pay the  
7 property taxes on the real property may not claim the deduction  
8 provided under this section against that real property.

9 (h) In the case of tenants ~~covered~~ **described** by subsection (a)(2)(B),  
10 if all of the tenants are not at least sixty-five (65) years of age, the  
11 deduction allowed under this section shall be reduced by an amount  
12 equal to the deduction multiplied by a fraction. The numerator of the  
13 fraction is the number of tenants who are not at least sixty-five (65)  
14 years of age, and the denominator is the total number of tenants.

15 SECTION 2. [EFFECTIVE JANUARY 1, 2004] **IC 6-1.1-12-9, as**  
16 **amended by this act, applies to assessments made after December**  
17 **31, 2003.**

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